

Available online at www.sciencedirect.com**ScienceDirect**

Procedia Economics and Finance 32 (2015) 878 – 883

Procedia

Economics and Finance
www.elsevier.com/locate/procedia

Emerging Markets Queries in Finance and Business

Development policies in European UnionZulfukar Aytac Kisman^a, Annemarie Ventel^{b,*}^a*Firat University, Elazig, Turkey*^b*Dimitri Cantemir University, Targu Mures, Romania***Abstract**

Sustainable development is a term used worldwide by politicians, even if it is a new concept. Important is that this concept is developing and defining and is continuously revised, extended and refined. Development has a positive value, so that most people would agree with, and that is associated with a better world. A change can have good parts and bad parts, and because it is difficult to reach an agreement, this may be interpreted differently from various perspectives.

Sustainable development can be called „fair and balanced" which means to grow indefinitely, it should keep a balance between different groups of people, and from one generation to another. The main objective of applying the concept of sustainable development is to improve the quality of life and to please people. This keeps the three major interrelated areas, economic, social and environmental. Therefore, sustainable development is defined as an opportunity for a chance to prosperity, within the scope of good governance.

nd te reasonable to signify sustainable development as development that can last forever or at least for a long time, for several generations. The positive side is that sustainable development is increasing and lasts for a long time. Moreover, sustainable development is increasing in consumption according to the economic interpretations. In a world where resources are limited, the main problem of the integration is to reconcile present and future needs. Two forms of distributive justice must be balanced: the inter-generational and intra-generational. The justice between generations must develop freedom and development for future generations, to evolve and to ensure options for the world's population today.

© 2015 Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license

(<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Selection and peer-review under responsibility of Asociatia Grupul Roman de Cercetari in Finante Corporatiste

Keywords: Development, Local Development, Development Policies, EU

The Term of Sustainable Development

The development policy of the European Union (EU) is not well- known, but it is an interesting dimension in the

* Corresponding author. Tel.: +90-532-6852267; fax: +90-424-2370061.

E-mail address: zaytac@yahoo.com

development of the European process. Founded in 1985 this policy had no legal basis until 1993, when the „Treaty of Maastricht” had provided one. With time, it became known in EU policy, because of the political creativity of the Community of that period.

The main targets for sustainable development had positive elements: economic and social development of developing countries into the world economy and the campaign against poverty (Soubotina, 2000). While development policies have evolved, at the beginning, the focus was on the development of agriculture and industrialization. Then, the main accent was on basic needs. The need for education, health and jobs for the poor, were a prime starting point for policy development. Over time, this policy had evolved and some institutions saw them as having an important role. Then, the Commission launched an initiative and asked the developed countries, to add this policy to European integration.

European Parliament encouraged this process through political initiatives and appropriate budgetary decisions. The idea of development is distinguished from purely economic concept of growth which shows the increasing exchange of goods in a relationship monetary market. The development includes any human activity, even the economic activities that enhance social needs for the entire human population. Also it has to be taken into consideration the diversity of riches, which includes more than goods and services, that can be evaluated in markets terms, for example, education, training, culture (Harris 2000).

In general, the principle of development is trying to represent a broader view of the process of socio - economical process. Development must not only achieve an improvement in the standard of living, but also an improvement in the conditions of life.- This concept led to the creation of the Human Development Index of the United Nations Development Program; it uses to calculate the index measures and the overall success and development. -

World Commission presented a report seeking to show the issue of environment and development objectives through a **definition of sustainable development.**

„ Sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet Their Own Needs.” (Hrebik et al., 2006)

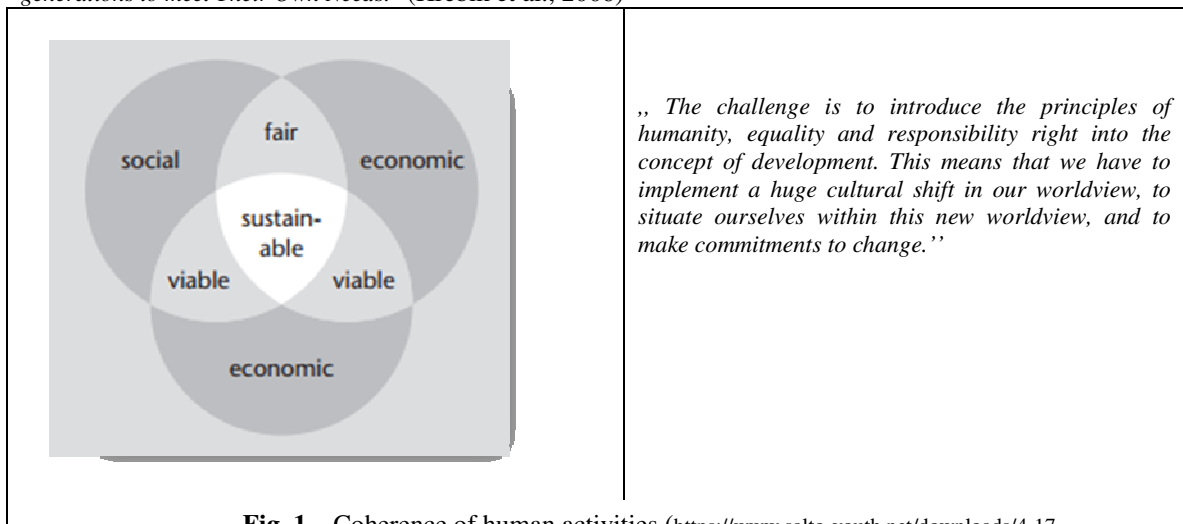


Fig. 1 – Coherence of human activities (https://www.salto-youth.net/downloads/4-17-1250/SustainableDevelopment_infosheet.pdf)

This complex appearance in relation to sustainable development requires us to adapt our culture, our way of thinking about our problems, not least, the way we respond to them. Sustainable development is a political one, with origins in the all sectors of a society. We are invited to take over this choice as individuals as part of society, along with NGOs, social movements and civil society organizations (Schartl, 2000)

The Statement on Development Policy

The lack of clear political objectives was treated in April 2000 with the adoption of „Statement on Development Policy’’ by the European Council, complemented by detailed administrative reform proposals. The main objective was to reduce poverty, which was the main objective of Community Development Policy, and priority was to allocate resources in developing countries with low incomes, which has been authorized.

The European Union has recognized the need to focus more on areas in which the Community had more advantage. This included seven areas that could make the link between trade and development, regional integration, macro - economic support, transport, rural development, health and education and capacity building.

Complementary to policy coherence is the issue of harmonization. The European Union should provide a more clear to straighten cooperation with other multilateral development organizations such as the World Bank and the UN.[†]

The Term of Local Development

Local development suddenly became known in the middle of the 1980’s and it was the result of an economic combinations, such as the crisis in traditional industries, persistent unemployment, decentralisation, central crisis of the Welfare State, European integration.

Local development initiatives are defined as integrated strategies such as partnership. This definition is quite delicate regarding strategic objectives because they are vital to local partners, especially in terms of socio-economic outcomes and improving living conditions.

This should include strategy development, long-term objective of the structural changes that can be achieved (results).

This political context require better efficiency of public funds, being very available for EU structural funds, putting into operation all stakeholders in developing, in order to strengthen local economies and meet the needs of citizens.

It has of course advantages and disadvantages, while new avenues are reopened, it faces with globalization, climate change, an aging society, excluded people and remotest areas.

From 1980 to 2000, EU interventions marked the transition from a spontaneous phenomenon of local development to a true component for the development of European economy.

Next period needs fresh thinking on what should be done by the EU policy to support local development and how this can be achieved.

EU and Member States are administrated by the Commission and share aid to developing countries. The European Commission should provide administrative economies over national bilateral aid programs, and achieving the aims and administrative requirements.[‡]

[†] United Nations, „Measuring Sustainable Development’’, Prepared in cooperation with the Organisation for Economic Co-operation and Development and the Statistical Office of the European Communities, New York and Geneva, 2009, p. 5-7

[‡] European Commission, „Cohesion Policy Support for Local Development’’, Study Commissioned by Directorate General for Regional Policy, European Union, 2010, p. 10-11

EU supported continuously developing countries and used trade for development. Since 2007, the EU and its Member States drove the global Aid for Trade Efforts, confirming again in 2010, EU's position as the largest provider of Aid for Trade in the world.

Local development was the topic discussed by many research in universities, such as sociology, geography, economics and political science, therefore, is not just the product of an applied theory, thing which happened over a twenty-year period.

According to them, local development brings improvements in the following five areas: understanding new patterns of development, in regional development Addressing problems; Improving governance; Contributing to EU Cohesion Policy, territorial integration and Improving Financial Mechanisms; Promoting Inter-Territorial Cooperation.[§]

Critical Issues for the Future

European Union action in support of local development policy interdependence should realize several criteria. It should recognize the added values of EU, other EU policies and also the sequences. Any future EU support for local development should show clearly that it will provide additional benefits. Moreover, it is necessary to note that any added value may be interpreted differently from EU, national / regional and local levels.

Clearly, expectations are not the same, some may be helpful, others might lead to conflicts of interests. If EU initiative it's limited to this mainly aspect, then it should make the difference between requirements and expectations.

European added value regarding the terms of local development can be summarized in the following six characteristics:

- the right to ownership and visibility, local development should have support from citizens for EU policies
- effectiveness used as a springboard for local development can unlock many European funds
- institutional strengthening and capacity building, teaching methods and improving local development and governance at all levels
- new approaches to stimulate policy makers at national and regional level, in exchange to adopt social innovation
- fixed financial resources, as supporter of funding for medium or long term, both may provide the opportunity to access new funds to stakeholders and to get rid of the local constraint, and display new policy for national and regional authorities
- territorial interdependence, both attached to efficiency derived from trans-national cooperation, as it enlarges the scale of transfer of know-how beyond the national

Level 10, and fairness, as it allows more effective targeting of EU funds to where they are needed most, for example, the most remote communities and areas (European Commission, 2010).

Case Study

Sustainable Development is a Priority for Ireland

[§] Council of the European Union, „Council Conclusions on Local Authorities in Development”, Foreign Affairs, Brussels, 2013, p. 2-3

In 2011, the Irish economy is totally different from the first part of the last 10 years. New housing output, tax revenues, employment, all of them were measured by standard indicators GDP according to the trends of economic development, and they have shown that have fallen sharply.

It was also seen that the unemployment rate rose, a banking crisis and a collapse in the property market after a sustained, if unsustainable, boom in the property market (Environment, Community and Local Government, 2010).

Several factors led to these unsustainable trends, including the rapid growth in employment, a large-scale inward migration (immigration rose sharply from 52 600 annual persons in 2000 to peak at 109 500 in 2007), natural rapid population growth, fiscal incentives for the construction sector, rising car ownership and weakness in the strategic approach to spatial planning.

In a time of rapidly rising prosperity and development, structures and existing controls were insufficient to cope with the pressures that inevitably arose. The Organisation for Economic Cooperation and Development Environmental Performance Review in 2010, admits that a pretty big progress was achieved by Ireland since the last Review in 2000.

Environmental policies have been improved, enhanced environmental institutions (in particular the development of a strong agency for environmental protection) and investment in environmental infrastructure.

As a result, Ireland has quality water and a good air. Moreover, energy intensity, or energy per unit of Gross Domestic Product, is also the lowest among Organisation for Economic Cooperation and Development countries.

The population of Ireland is planned to increase further, which will bring new challenges and it is long before it will reach the goal of breaking the economic development from increased consumption of natural resources and environmental impact can be truly realized (Environment Community and Local Government, 2011).

Development Agencies in Ireland

All systems of public administration is in a continuous evolution as a response to pressures - be they economic or environmental, social or political. Aspiration to correct the structures for governance and introducing policies, is a constant topic of public interest, despite the fact that such a defence is less likely find, and reach a consensus for a good organized government in every state .

While the basic structure emerged, including public organisation of government. Most appropriate term for these structures is yet „agencies’’ and is a catchy term, despite variety of such organisations in Ireland. In fact, agencies have begun to appear in a ad - hoc manner in Ireland. A definition of this agencies in Ireland is their resistance to a conceptual or formal classification.

Irish Public Service Agencies gave the ability to provide services in a time when public spending was growing and this satisfied the expectations of citizens. Moreover, the agencies have allowed governments to involve more stakeholders in management participation, and made the government to increase the number of staff working in the public service, without giving the impression of increasing bureaucracy.

Public and media comments made about state agencies in Ireland were discussed not only in the absence of a clear idea of how many agencies there are, varying from a few hundred to a thousand, but also without assessing their performance and efficiency. While a consolidation process is under development, it is clear that state agencies will continue to have an important role in Ireland's public administration (MacCarthaigh, 2010).

Conclusion

Sustainable development has several cutting edges. For example, Germany is a developing country and mostly stable from the point of view of economy. There are cities in which exists shopping centers such as boutiques, shops and some pubs that exists for over 30 years under the same name, with the same function, in other words, unchanged.

Other cities from other countries, where stability is „shaky“, shopping centers are changed from year to year, this means **change**. People need **stability, and change**. It is necessary from time to time to be introduced something new, otherwise people get bored of the same „view“ year by year.

If it could be made a connection and find a way to reconcile these two great ideas, then stability and change would be more favorable to the people, that would be considered responsible administrative systems. The concept of sustainable development questions whether present lifestyle is acceptable and if it will „move“ in the next generation. For equity intergenerational should go hand in hand with intergenerational equity, a huge restructuring of global income and patterns may be necessary for any sustainable development strategy. So, change is good, as well as stability.

References

- Štěpán Hřebík - Viktor Třebický - Tomáš Gremlica, „Manual for Planning and Evaluation of Sustainable Development at the regional level“, Office of the Government of the Czech Republic, Prague, 2006
- Tatyana P. Soubbotina , WBI LEARNING RESOURCES SERIES „Beyond Economic Growth An Introduction to Sustainable Development Second Edition“, The International Bank for Reconstruction and Development , THE WORLD BANK , Washington, D.C. , 2000
- Jonathan M. Harris, „Basic Principles of Sustainable Development“, Global Development and Environment Institute, Tufts University, Tufts University, USA, June 2000
- EUROPEAN COMMISSION, „Report on Policy Coherence for Development“, COMMISSION STAFF WORKING DOCUMENT, Brussels, 2013
- EUROPEAN COMMISSION, „Financing for Development Review of progress of the EU and its Member States“, STAFF WORKING PAPER, Brussels, 2012
- European Commission, „COHESION POLICY SUPPORT FOR LOCAL DEVELOPMENT“, Study commissioned by Directorate General for Regional Policy, European Union, 2010
- Debra Mountford, „Organising for local development: the role of local development agencies“, OECD LEED Programme, 2009
- Stephen Dearden, „EU Development Policy: Delivering Aid Effectiveness, Published with the support of the EU Commission“, Miami - Florida European Union Center, 2008
- UNITED NATIONS, „MEASURING SUSTAINABLE DEVELOPMENT“, Prepared in cooperation with the Organisation for Economic Co-operation and Development and the Statistical Office of the European Communities (Eurostat), New York and Geneva, 2009
- Pietro Caratti and Gabriella Lo Cascio, „Sustainable Development Policies in Europe“, Sustainability Indicators and Environmental Valuation, Milano, 2006
- Christian Schärfl, Markus Schrader, „Sustainable Development“, MIJARC Europe AISBL, Brussels
- Council of the European Union, „Council conclusions on local authorities in development“, FOREIGN AFFAIRS, Brussels, 2013
- Environment, Community and Local Government, „A Framework for Sustainable Development for Ireland“, Draft for Public Consultation, 2011
- Muiris MacCarthaigh, „National non – commercial State Agencies in Ireland“, Palgrave, Ireland, 2010